



B.Box Trading (Pvt) Ltd

FRANCHISE AGREEMENT

THIS AGREEMENT is made on the 1st March of 2013 BETWEEN:

BBOXX SOLAR LTD whose **UK registered office** is at **215 Normanton Road, Derby, DE23 6US, UK** having sub office in Pakistan **B.Box Trading (Pvt) Ltd, 10 Mazinine , Beverly Center , Jinnah Avenue, Blue Area, Islamabad, Pakistan ("the Franchisor")**;

AND

ABC (Pvt) Ltd. whose **registered office** is at **Shop # 123, Street # 123, abc Road, XYZ Area, Islamabad ("the Franchisee")**



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NOW IT IS AGREED as follows:

1 DEFINITIONS

In this agreement the following expressions shall have the following meanings:

- 1.1 "The Franchise" shall mean a franchise of the business operated by the Franchisor namely, B. BOX Trading (Pvt) Ltd;
- 1.2 "The Franchise Business" shall mean the Franchise business operated by the Franchisee in terms of this agreement;
- 1.3 "The Franchisee Manual" shall mean the operational manual given by the Franchisor to the Franchisee at the start of this agreement;
- 1.4 "The Initial Franchise Fee" shall mean the initial cost of the Franchise as paid by the Franchisee to the Franchisor;
- 1.5 "Intellectual Property" shall mean those trade marks, service marks, logos and all other intellectual property listed in Schedule 2;
- 1.6 "Know-how" shall mean a body of non-patented practical information, resulting from experience and testing by the Franchisor, which is secret, substantial and identified:

"secret" means that the know-how, as a body or in the precise configuration and assembly of its components, is not generally known or easily accessible; it is not limited in the narrow sense that each individual component of the know-how should be totally unknown or unobtainable outside the Franchisor's business;

"substantial" means the know-how includes information which is of importance for the sale of goods or the provision of services to end users, and in particular for the presentation of goods for sale, the processing of goods in connection with the provision of services, methods of dealing with customers, and administration and financial management; the know-how must be useful for the Franchisee by being capable, at the date of conclusion of the agreement, of improving the competitive position of the Franchisee, in particular by improving the Franchisee's performance or helping it to enter a new market;

"identified" means that the know-how must be described in a sufficiently comprehensive manner so as to make it possible to verify that it fulfills the criteria of secrecy and substantiality;
- 1.7 "Management Service Fee" shall mean the cost of managing and overseeing the Franchise as paid by the Franchisee to the Franchisor;
- 1.8 "Product Fee" shall mean the cost of products and materials ordered from the Franchisor as paid by the Franchisee to the Franchisor;
- 1.9 "Marketing Fee" shall mean the cost of marketing the Franchise as paid by the Franchisee to the Franchisor;
- 1.10 "The Territory" shall mean the area or areas listed in Schedule 1.



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2 GRANT OF FRANCHISE

- 2.1 The Franchisor appoints the Franchisee on a non exclusive basis. Exclusivity will only be given if the following number of franchises are purchased by the franchisee in the following territories:

Should exclusivity be given in any area with in particular city , then the performance targets detailed in Schedule 1 of this agreement will need to be met to maintain the exclusive arrangement.

Exclusivity does not exclude the franchisor from opening in any territory should they wish to.

- 2.2 The Franchisor hereby appoints to the Franchisee all the relevant rights to carry on business as a Franchisee.

3 LOCATION

The Franchisee will operate the Franchised Business from the agreed upon Area with in allowed city or town. (**As Franchisor can have multiple Franchisee with in a particular city depending upon the demography and business potential of a particular city**)

4 DURATION OF APPOINTMENT

- 4.1 This agreement shall remain in force for a period of **FIVE YEARS** from the date of signature by the parties and is based on performance targets detailed in schedule 1 being achieved.
- 4.2 The Franchisor consents to allow the Franchisee to renew the agreement subject to renewal terms being agreed and where the Franchisee has operated the Franchise successfully and in accordance with the terms of this agreement and the Franchisee Operational Manual.

5 PAYMENT AND FEES

- 5.1 The Franchisee will pay to the Franchisor the initial Franchise Fee of **Rs. XXXXX (Rupees xxxxxxx only)** for agreed up territory(s) and location(s)

The franchisee will pay to the Franchisor a sum of **Rs. XXXXX (Rupees xxxxxxx only)** which will be used to purchase stock for the respective franchise outlet (this includes the display stock)

- 5.2 The Franchisee will pay a Management Service Fee of 2% of any order value placed.
- 5.3 All payments must be paid through Cross Cheque or Bank Draft favouring B.Box Trading (Private) Ltd drawn able at Pakistani Banks.
- 5.4 The Franchisee may be asked to contribute towards an Marketing Fee. The amount of this fee shall be determined by the Franchisor according to the level of advertising required.
- 5.5 All fees are due for payment as per the invoice criteria. No credit terms are offered.



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- 5.7 The Franchisor is also entitled to recover all reasonable expenses incurred in obtaining payment from the Franchisee where any payment due to the Franchisor is late.

6 OBLIGATIONS OF FRANCHISOR

During the term of the agreement the Franchisor will:

- 6.1 provide detailed technical product knowledge and franchise store layouts which must be adhered to;
- 6.2 provide initial training to the Franchisee so that the Franchisee can operate the Franchise successfully and offer ongoing training where the Franchisor deems necessary. Any further training after the initial training session may be chargeable at a reasonable rate.
- 6.3 provide regular monitoring of the Franchise to ensure that acceptable standards of operation are being met and that any sales targets set by the Franchisor are achieved by the Franchisee;
- 6.4 provide regular updates to the Franchisee on marketing strategy for the Franchise.

7 OBLIGATIONS OF FRANCHISEE

During the term of the agreement the Franchisee will:

- 7.1 comply with the terms stipulated in this agreement at all times;
- 7.2 devote whatever time and attention to the Franchise as is necessary to carry out and procure the greatest volume of business consistent with the provision of a good service to customers;
- 7.3 do everything that is required to promote and expand the Franchise;
- 7.4 protect the name and goodwill of the Franchise by conducting business in a responsible manner;
- 7.5 restrict the use of the Franchise name and assets for the purpose of the Franchise only;
- 7.6 abstain from any direct or indirect involvement with a competing business;
- 7.7 conduct the Franchise business from the address given in this agreement and fit out said address as per the instructions given by the Franchisor;
- 7.8 observe all national, regional and local laws of the Territory;
- 7.9 register the Franchise for Sales Tax and Income Tax and any other taxes that may apply in the Territory if required;
- 7.10 operate valid insurance policies to cover Franchise property and contents, public liability, vehicles and other assets and liabilities of the Franchise Business;
- 7.11 obtain all necessary licences required to operate the Franchise in the Territory;
- 7.12 not disclose to third parties the know-how provided by the Franchisor.



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7.13 the franchisee agrees not to promote/sell any other products or brands in the franchised outlet.

7.14 the franchisee will seek permission from the franchisor

8 RECORDS AND ACCOUNTS

8.1 The Franchisee is required to maintain full and accurate records for the duration of the Franchise.

8.2 The Franchisee is required to provide the Franchisor with access to accounts held by the Franchisee in respect of the Franchise Business on a annual basis or with the Franchisor giving 10 days notice to the Franchisee.

8.4 The Franchisee is required to provide the Franchisor with details of all marketing plans carried out and any future plans by the Franchisee.

9 INTELLECTUAL PROPERTY

9.1 The Franchisor grants to the Franchisee all rights to use the trade marks, copyrights, patents, literature, logos, know-how and other intellectual property as detailed in Schedule 2 of this agreement only at the agreed property/site, subject to the restrictions in Clause 9.2 of this agreement.

9.2 The Franchisee shall not use the Intellectual Property in any way so as to invalidate any registration requirements or permit the use of the Intellectual Property by any third parties.

9.3 The permission granted by the Franchisor to the Franchisee in respect of the use of the Intellectual Property belonging to the Franchisor exists only for the duration of the Franchise.

9.4 The ownership of the Intellectual Property remains with the Franchisor.

10 CONFIDENTIALITY

10.1 All terms of this agreement and information relating to the Franchise shall be kept confidential by the Franchisee for the term of the Franchise and for a period of five years from the date of termination of this agreement unless disclosure is required by law in the jurisdiction of this agreement.

10.2 Confidential information includes, but is not limited to, financial, marketing, sales, trade and technical data.

11 CONTROL OF STANDARDS AND TRAINING

11.1 The Franchisee must comply with all procedures set out by the Franchisor.

11.2 Persons employed by the Franchisee who fail to meet the requisite standards of employment as stipulated by the Franchisor must be dismissed by the Franchisee. Any costs associated with such a dismissal are the responsibility of the Franchisee.

11.4 The Franchisee must deal with all customer complaints promptly and in accordance with the standards stipulated by the Franchisor. Any complaint unable to be resolved under these terms must be notified to the Franchisor immediately.



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12 EQUIPMENT AND PRODUCTS

- 12.1 The Franchisee is required to allow inspections of the Franchise Business by the Franchisor at any time.
- 12.2 Products and equipment required by the Franchisee for the purpose of operating the Franchise must be purchased from the suppliers nominated by the Franchisor. Alternative suppliers are permitted with the prior consent of the Franchisor.

13 LIMITATION OF LIABILITY

- 13.1 The Franchisee agrees to indemnify the Franchisor against all damage, loss or liability suffered by the Franchisor as a result of the actions or omissions of the Franchisee.
- 13.2 The Franchisor shall not be liable to the Franchisee for any direct or indirect damages whether actual or reasonably foreseen.
- 13.3 The Franchisor and Franchisee shall indemnify each other for fraud, personal injury or death caused by the negligence of their employees whilst performing their duties in terms of this agreement.
- 13.4 All other liability, not expressly assumed within this agreement, is excluded.
- 13.5 The Franchisor and Franchisee hereby agree that the limitations and exclusions of liability set out in this agreement are reasonable.

14 SALE OF THE FRANCHISE

- 14.1 Permission for the Franchisee to sell the Franchise should not be unreasonably withheld by the Franchisor should the necessary conditions required for obtaining an initial Franchise be met by any prospective purchaser.
- 14.2 The know-how and other confidential information relating to the Franchise must not be passed to any prospective purchaser prior to a confidentiality agreement being signed.
- 14.3 The Franchisee must meet all the Franchisor's legal and other costs associated with the sale of the Franchise as well as 5% of the purchase price in respect of administrative expenses.
- 14.4 If the Franchisee requests that the Franchisor find a suitable purchaser for the Franchise then a fee of 5% of the purchase price is payable by the Franchisee to the Franchisor.
- 14.5 In the event of the Franchisee selling the Franchise the Franchisor must be given the option to purchase the Franchise at the same price and in the same terms as the proposed purchaser.

15 TERMINATION OF THE AGREEMENT

- 15.1 This agreement may be terminated without prejudice to any right or remedy either party may have against the other for breach or non-performance of this agreement if any of the following circumstances arise:



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- 15.1.1 either party commits a substantial breach of this agreement including, but not limited to, non-performance, default or neglect of the duties as specified in this agreement, the Franchisee failing to open the outlet as agreed, the termination of any licence needed for the outlet to function, the conviction of a criminal offence which materially affects the operation of the Franchise Business or the Franchisee providing false or misleading information to the Franchisor;
- 15.1.2 persistent breaches of any terms of this agreement which are not remedied after thirty (30) days' notice of the breach to the defaulting party;
- 15.1.3 where the general conduct of the Franchisee is likely to have a serious or detrimental effect upon the Franchisor;
- 15.1.4 either party is unable or has no reasonable prospects of paying their debts or enters into an agreement with creditors to the detriment of the Franchise, or becomes subject to an administration order as a company, or goes into liquidation or has the receiver of any assets appointed or threatens to cease operating the Franchise.
- 15.2 Termination will be immediate upon written notice to the offending party and without prejudice to any remedy either party may have against the other for any breach committed prior to the date of such termination or which gave rise to the termination.
- 15.3 Upon termination of this agreement the Franchisee shall promptly return all documentation relating to the products, services and business activities of the Franchise that have relevance to the Franchisor.
- 15.4 All terms of this agreement intended by the Franchisor to survive any termination of the agreement shall continue, including, but not limited to, confidentiality and intellectual property conditions.
- 15.5 In case of termination there will be no claim of refund against amount paid to Franchisor by Franchisee.

16 RESTRICTIVE COVENANTS

- 16.1 The Franchisee shall not for a period of 24 months after the termination of this agreement be directly or indirectly involved with a third party business that competes with the Franchise. This includes, but is not limited to, the development, promotion, sale or supply of any products or services that compete with the products and services of the Franchisor.
- 16.2 The Franchisee shall not for a period of 24 months after the termination of this agreement approach or canvass customers or former customers of the Franchise.
- 16.3 The Franchisee shall not disclose any information or copy any part of the Franchisors business model to any third party at any time after the termination.



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17 NOTICES

Any notice required to be given by either party to the other may be sent by either email, fax or recorded delivery to the most recent email address, fax number or address notified to the other party, and if sent by email shall unless the contrary is proved be deemed to be received on the day it was sent or if sent by fax shall be deemed to be served on receipt of an error free transmission report, or if sent by recorded delivery shall be deemed to be served 2 days following the date of posting.

18 FORCE MAJEURE

Neither party shall be liable for delay or failure to perform any obligation under this agreement if the delay or failure is caused by any circumstance beyond their reasonable control, including but not limited to, acts of God, war, civil unrest or industrial action. If such delay or failure continues for a period of at least 6 months then the party not subject to the force will be entitled to terminate the agreement by written notice to the other.

19 WAIVER

Failure or neglect by either party to exercise any of its rights or remedies under this agreement will not be construed as a waiver of that party's rights nor in any way affect the validity of the whole or part of this agreement nor prejudice that party's right to take subsequent action.

20 ASSIGNMENT

This agreement is personal to the parties and neither this agreement nor any rights, licences or obligations under it may be assigned by either party without the prior written approval of the other party.

21 ENTIRE AGREEMENT

This agreement contains the entire agreement between the parties relating to the subject matter and supersedes any previous agreements, arrangements, undertakings or proposals, oral or written. This agreement may be varied only by a document signed by both parties.

22 INCORPORATION

If applicable, any subsequent incorporation of the Franchise Business by the Franchisee as a limited liability company is only possible with the prior permission of the Franchisor.

23 INDEPENDENT ADVICE

The Franchisee acknowledges that it has been advised by the Franchisor to take independent professional advice on the terms of this agreement and the purchase of the Franchise prior to entering into this agreement.



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24 SEVERANCE

If any provision of this agreement is held invalid, illegal or unenforceable for any reason by any court of competent jurisdiction, such provision shall be severed and the remainder of the provisions hereof shall continue in full force and effect as if this agreement had been agreed with the invalid illegal or unenforceable provision eliminated.

25 SET-OFF

The Franchisee is prohibited from withholding any monies due to the Franchisor on the grounds that they are due to receive monies owed by the Franchisor.

27 GENERAL

27.1 The Schedules to this agreement constitute an integral part thereof.

27.2 No addition or modification of any clause or term of this agreement shall be binding on the parties unless made in writing and signed by the signatories to this agreement or their duly authorised representatives.

27.3 Reference to any Statutory Provision in this agreement shall include any future Statutory Provisions which amend or replace it.

28 GOVERNING LAW AND JURISDICTION

This agreement shall be governed by and construed in accordance with the law of Government of Pakistan and the parties submit to the exclusive jurisdiction of the courts of Islamabad Capital Territory, Government of Pakistan .



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IN WITNESS whereof this agreement is signed at place **Islamabad** on the date hereof as follows:

SIGNED [by OR for and on behalf of] the Franchisor:

[NAME OF FRANCHISOR SIGNATORY]

Signature & Stamp:

CNIC #

Before this witness:

Witness signature:

Witness name:

Witness CNIC #:

Witness address:

SIGNED [by OR for and on behalf of] the Franchisee:

[NAME OF FRANCHISEE SIGNATORY]

Signature & Stamp

CNIC#

Before this witness:

Witness signature:

Witness name:

Witness CNIC #:

Witness address:



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SCHEDULE 1

THE TERRITORY

The geographical area will be:

City:

Place of Business Within City:

Performance targets will be enacted for each area to maintain exclusivity, these will be decided on an area by area basis and discussed with each individual franchisee and added to this agreement.

Monthly Sales target for First Quarter

Monthly Sales target for Second Quarter

Later on quarterly sales target will be forwarded by the B.Box Trading (Private) Limited time to time.

SIGNATURE & Stamp
FRANCHISEE

SIGNATURE & Stamp
FRANCHISOR



B.Box Trading (Pvt) Ltd

SCHEDULE 2

INTELLECTUAL PROPERTY

Intellectual Property licensed to the Franchisee by the Franchisor:

Franchisor's trade marks, patents, copyrights, logos and all other intellectual property

The geographical area will be:

City:

Place of Business With in City:

SIGNATURE & Stamp
FRANCHISEE

SIGNATURE & Stamp
FRANCHISOR

THIS DOCUMENT MUST BE NOTARIZED

**ORIGINAL DOCUMENT WILL REMAIN WITH THE FRANCHISOR AND COPY WILL BE
GICEN TO FRANCHISEE**